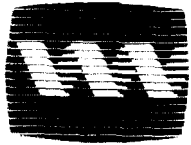


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JUN 30 1995

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**VERMONT
WIRELESS
COOP**

June 29, 1995

Office of The Secretary
Federal Communications Commission
1919 "M" St., NW
Washington D.C. 20554

Letter of Transmittal

Re: Comments on Competition in the Multichannel Video Market, CS Docket No. 95-61,
as requested by the Commission by "Notice of Inquiry" and due on June 30, 1995.

The enclosed original and ten copies of comments are provided, as directed, to the
Chairman and members of the Commission.

Ccs to:
Senator Patrick J. Leahy
Senator James M. Jeffords
Representative Bernie Sanders

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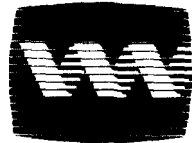
JUN 30 1995

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June 28, 1995

Media Division
Federal Communications Commission
Washington, D.C., 20036

Re: Comments on Competition in the Multichannel Video
Market; CS Docket No. 95-61



**VERMONT
WIRELESS
COOP**

Vermont Wireless Cooperative (VWC) is operating its systems on leased ITFS channels. We have had applications pending for MMDS channels for more than two years. The additional capacity is vital to VWC if we are to be competitive with cable. We have also had an application for a signal booster site for our North Hero Transmitter since November 1994. That site, in the Town of Alburg, Vermont, has been waiting since January of this year for a permit to operate. So, we are limited to an insufficient partial use of 19 ITFS channels to mount a meaningful challenge to cable competition. The lack of Commission attention to these details has confined us to a rural market, unserved by cable, and further serves to confine us to this market by not allowing us to compete.

Further erosion of our ability to compete has been the Commissions issuance of identical ITFS licenses to a group of speculators in a site at the center of our service area and competing directly for the same limited rural market. Instead of providing competition for cable, The Commission created an obstacle to both Wireless Applicants that will most certainly destruct one or both parties. Our competitors, New England Wireless, show, in their prospectus pro-forma, that they are more interested in building and selling at a high profit, than providing an interactive educational network or medical link service that is VWC's goal. We feel that the Commission has made a serious procedural error, out of keeping with its own rulemaking.

The following comments are offered in response to the FCC request in the alphabetical order of questioning.

(a) Not applicable to VWC, although if we had the MMDS capacity we have applied for, we could and would provide our subscribers with lower rates than cable, in cabled areas.

(b) Conversion to digital compression technology is part of our planning, and indeed vital to our ability to provide adequate entertainment programming and provide the interactive educational service to Vermont schools and colleges which is our goal.

(c) Cost projections are difficult to make without knowing the time frame in which digital compression technology will allow wireless to compete with cable on a more level playing field.

(d) Developments in The State of Vermont do not indicate a Wireless threat to Cable systems anywhere in the State. Cable has taken the heavily populated areas, and FCC rules are not allowing a Wireless challenge. Cable rates have spiralled with their build and sell practice. Wireless using the same approach will not be a threat to cable.

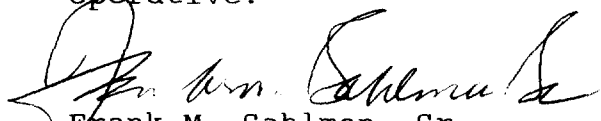
(e) RBOC investments in Wireless systems indicate their acknowledgement of the commercial viability of the technology, and if it spurs LEC entry into the field, it would hopefully provide meaningful competition to cable. We believe the RBOC entry into the field, particularly in the New England area is their recognition of the potential competition VWC could develop in their education marketplace. NYNEX is virtually unchallenged in the Conferencing Service they are selling the State of Vermont. NYNEX supplies the T-Carrier system that now carries Vermont Interactive Television (VIT) a State owned teleconferencing system linking 19 sites. We believe NYNEX and other RBOCS see Wireless as potential serious competition and will seek to control it.

(f) The time involved in obtaining licenses and modifications is prohibitive and counterproductive. Nothing seems to have changed since 1994, other than the decision to enter the auction process for MMDS licensing, which of course, favors the entrenched operators like the RBOCS who have the money to purchase and monopolize the industry. The more things change, the more they remain the same. What's happening is the door is being closed to people like us, who are trying to save a piece of the action for the people. There seems to be a bias against not-for-profit cooperatives who have a desire to make interactive educational television and medical links

affordable and obtainable, even in the most rural reaches of the country.

(g) Yes. (See above) It should even be clear to the Commission by now, since one of the more recent National political moves is to declare the entire FCC as an unnecessary, intrusive arm of the Federal Government that should be eliminated. So we do indeed see a threat to our existence, as well as we recognize the threat to yours. We hope that you recognize the importance of allowing the existence and growth of consumer owned organizations dedicated to public good, even to the point of providing equal attention to their needs. Systems like ours should be grandfathered and given preference in the issuance of MMDS licensing, or for that matter any licensing. No other entity has set and announced a goal of building interactive educational and medical link networks to ride cost-free on their systems.

For the Board of Directors of Vermont Wireless Cooperative.



Frank M. Sahlman, Sr.
President